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Mallon AgCommodities Weekly Market Report

International Influences

It is great to see a cease fire has been reached between Israel and Hamas in the Gaza Strip. It is only for 4 days, but it includes humanitarian aid and may be a positive signal for progress in the area.

Offshore futures markets were softer overnight. Investment funds are still massively short wheat. I talked about the effects and consequences of this last week. Thanks giving in the US is today, so all US futures markets are closed.

Russia attacked another grain port in Ukraine on Tuesday. This is familiar news as it seems to be happening fairly regularly since the war began. Futures markets are certainly not reacting to the news as drastically as they used to. However, ocean liner companies carrying bulk grain will be watching this news carefully and insurance premiums for Black Sea grain shipments will be very high.

As world grain price have been dropping across the board, demand is beginning to surface. There are reports of significant purchases of US wheat by China.

Key

IOD: Indian Ocean Dipole - a weather pattern indicator using sea surface temperatures from the Indian Ocean.

El Nino - a weather pattern indicator using sea surface temperatures from the Pacific Ocean.

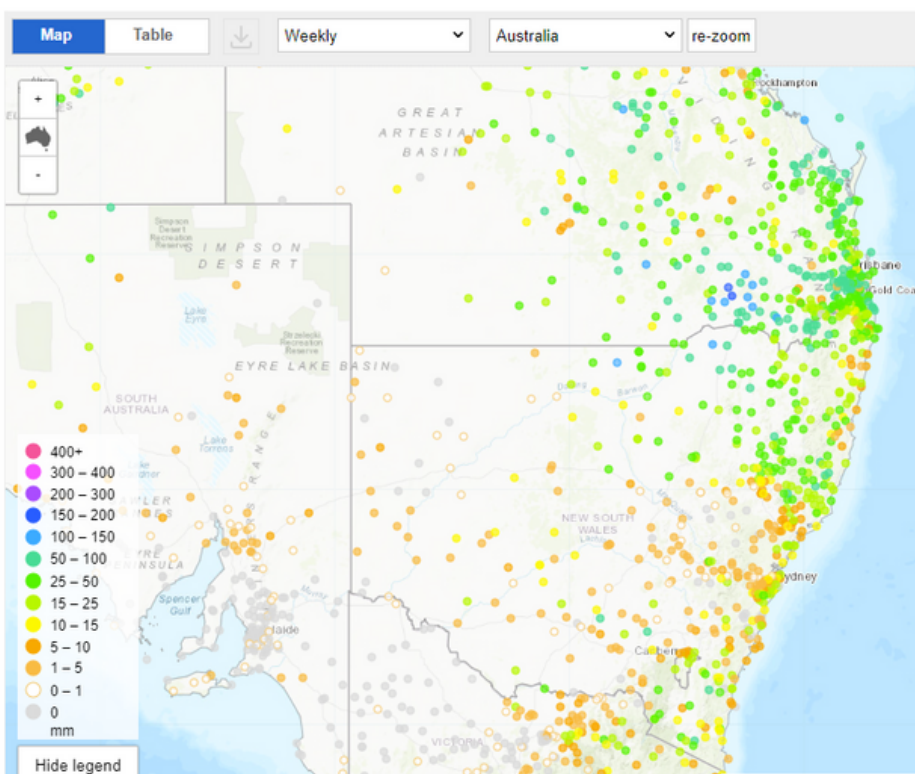
Domestic Overview

Significant rain has fallen across QLD and NNSW in the past seven days. It is too hard to give falls as the frequency, volume and areas where rain has fallen are all too patchy. However, our friends at the BOM have made this lovely chart for us (see bottom of the page) to take a look at for further insight.

Recent rainfall across QLD and NSW seems to be changing the dynamics of the northern NSW grain markets. Demand for grazer stock feeding has mostly come to a halt. Feed mills selling processed stock feeds will see order cancellations. Grain growers holding grain as a drought hedge will have already, or will be considering, letting grain go. Finally, a lot of summer croppers who didn't think they were going to crop now have the moisture available for sorghum, corn and other summer crop planting.

The BOM is reporting that the International Average of Model Outlooks is suggesting an easing of the El Nino effect and that Indian Ocean Dipole influences are easing from positive back to neutral territory.

Issued Weekly: 16 November 2023 – 22 November 2023





International Futures Pricing

Contract front month	Price	USD FOB
US No 2 Hard Red Winter Wheat (HRW)	615.6 c/bu	278
US No 2 Soft Red Winter Wheat (SRW)	557.6 c/bu.	241
EU France Grade 1 Wheat (Rouen)	223.75 EU/mt	247
Russian 12.5 Milling Wheat	-	235
ASX East Coast Wheat Futures	384.00 AUD	287 (Adelaide Track Basis)
AUD/USD	.6547	
WTI Oil	76.82 USD/Barrel	

Domestic Pricing

Market/Commodity (\$/mt)	SFW1 Wheat	Barley 1	Sorghum	Cottonseed
Downs	440	442	440	650
LPP	405	405	420	600
Newcastle	420		440	
Griffith Market Zone	372	345		
Melbourne	400	365		
Moree				600
Namoi Valley				600
Macquarie Valley				590
MIA				610

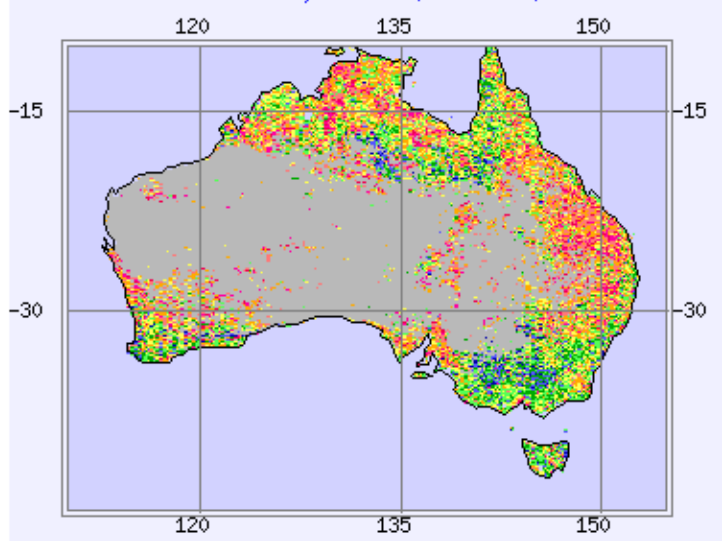


Australian Vegetation Health Index

Australia - Vegetation Health Index (VHI): Current Week and One Year Ago, 2023 week 46

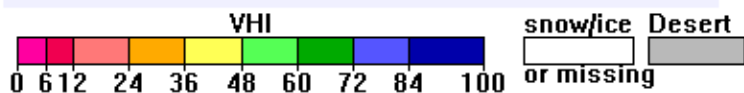
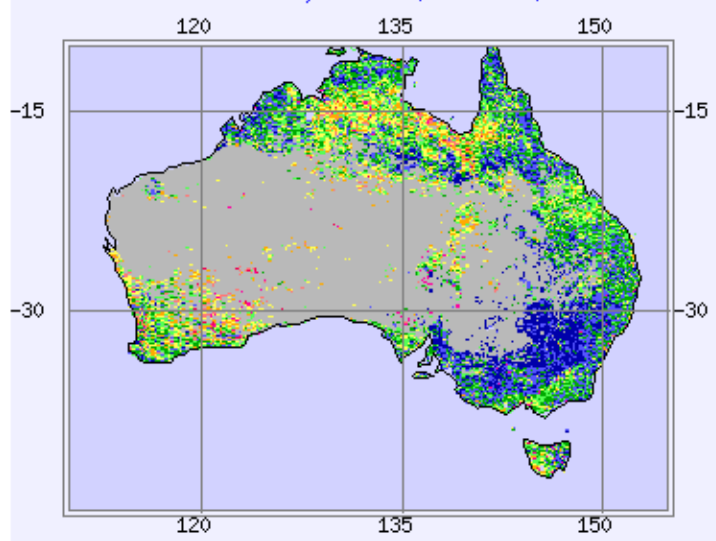
VHI of current year

Nov. 18, 2023 (week 46)



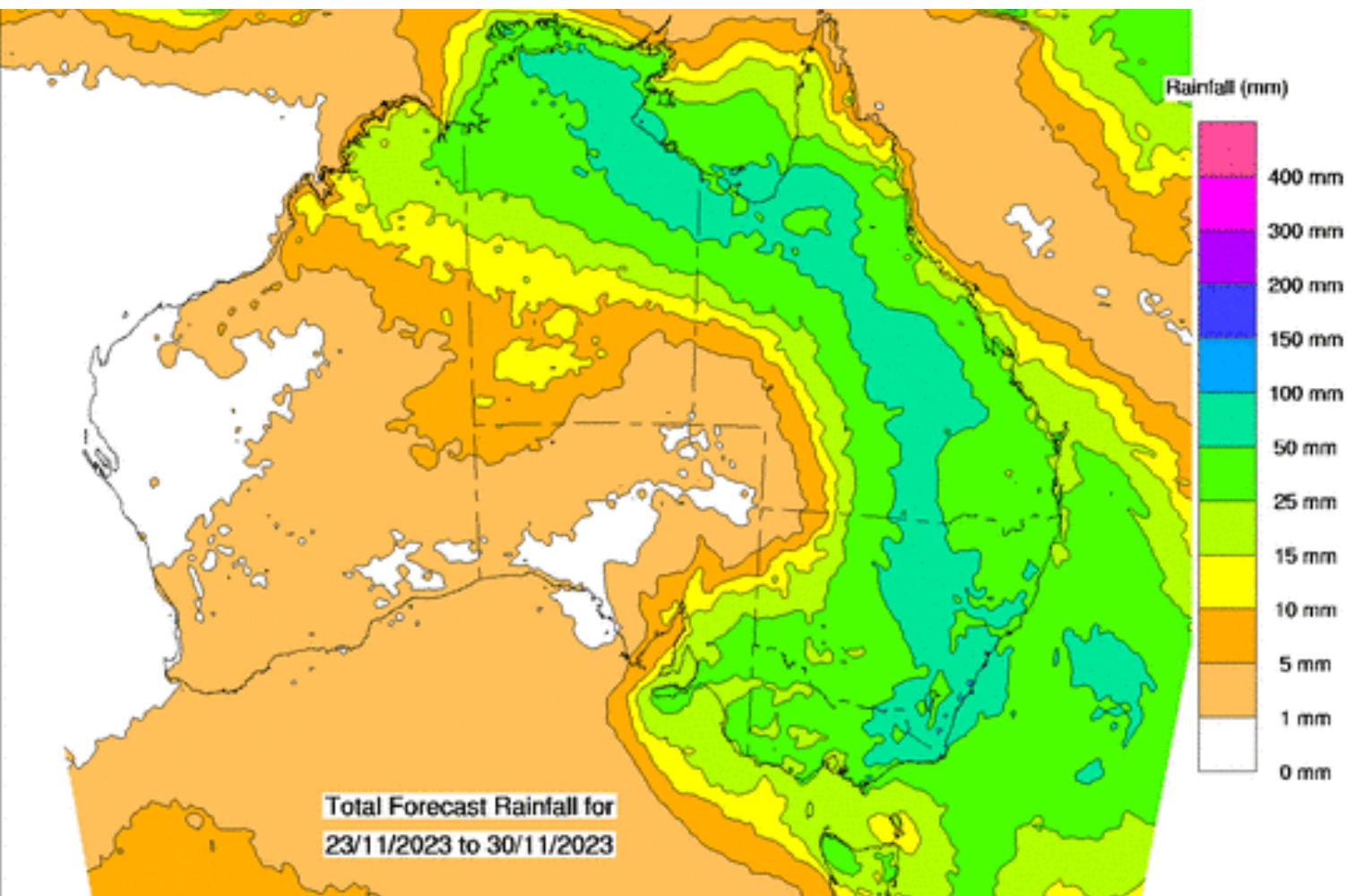
VHI of previous year

Nov. 18, 2022 (week 46)



Weather Influences

8 Day BOM Rainfall Forecast



Weather Influences

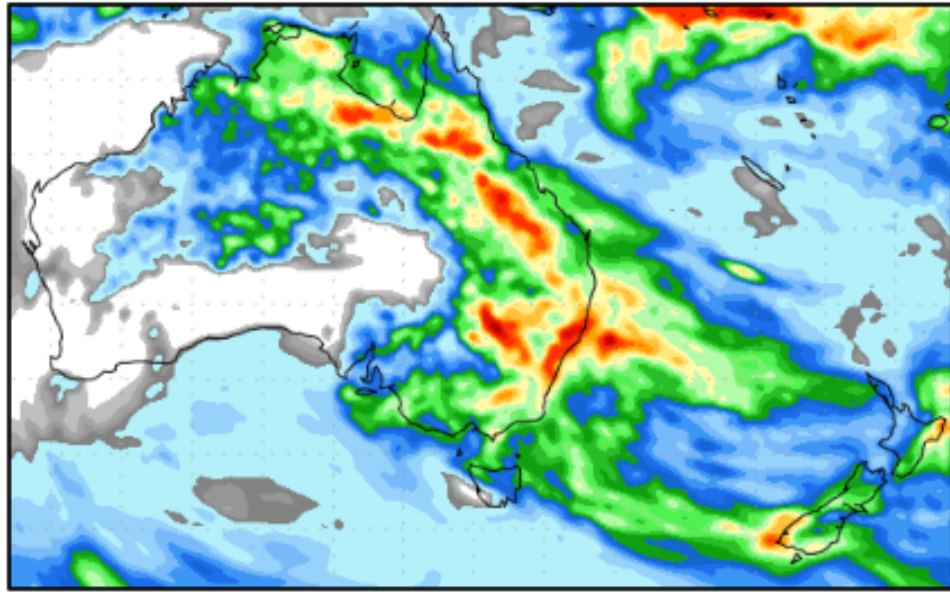
WX Maps Precipitation Forecasts



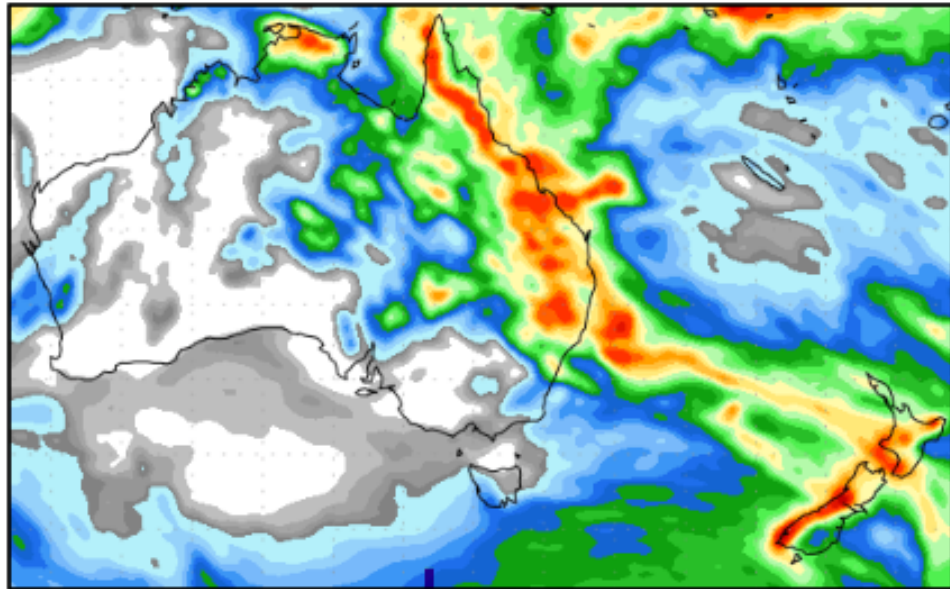
Precipitation Forecasts

Precipitation (mm)
during the period:

Wed, 22 NOV 2023 at 12Z
-to-
Thu, 30 NOV 2023 at 12Z

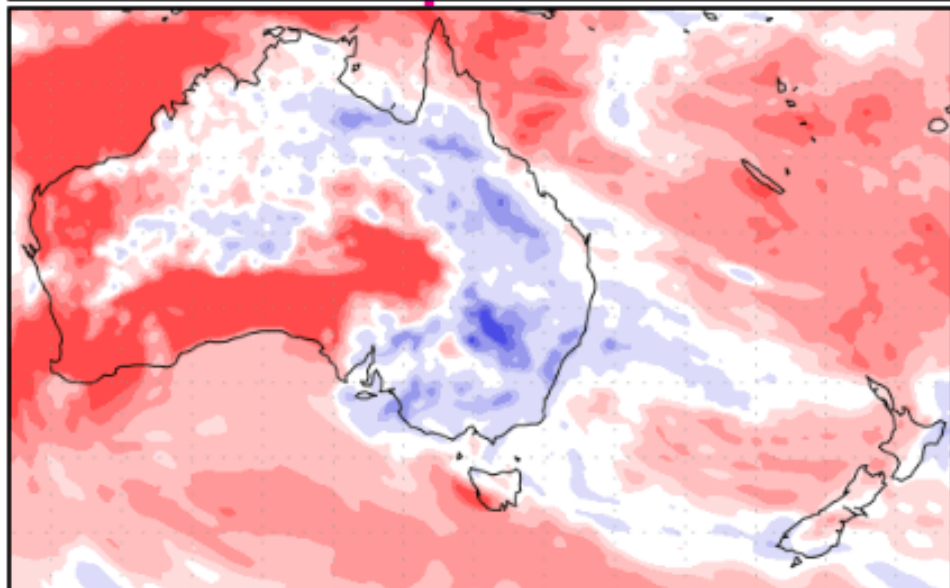
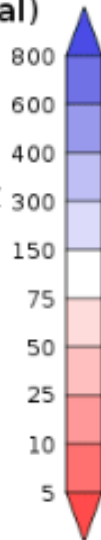


Thu, 30 NOV 2023 at 12Z
-to-
Fri, 08 DEC 2023 at 12Z



Precipitation (% of normal)
during the first period:

Wed, 22 NOV 2023 at 12Z
-to-
Thu, 30 NOV 2023 at 12Z



Precipitation forecasts from the National Centers for Environmental Prediction.
Normal rainfall derived from Xie-Arkin (CMAP) Monthly Climatology for 1979-2003.
Forecast Initialization Time: 12Z22NOV2023